



DEFENSE LOGISTICS SERVICES CENTER

1997 Year in Review



Welcome to DLSC

Mission



Our mission is to obtain, manage and integrate logistics data from a variety of sources for dissemination as enhanced information to meet or exceed the needs of DoD, Federal and international logisticians.

We provide this information in a wide variety of media focusing on the use of emerging technology to ensure that the best, cost-effective and timely support is available.

Vision



To be an essential part of our customers' success through the management and delivery of logistics information.

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The background of the entire page is a close-up, slightly blurred image of the American flag, showing the stars and stripes. The flag is draped, creating soft folds and shadows. The stars are white on a dark blue field, and the stripes are red and white.

Profile

The Defense Logistics Services Center (DLSC), under the direction of the Defense Logistics Agency (DLA), manages the world's largest automated logistics catalog system, the Federal Catalog System (FCS).

The FCS is a single catalog of seven million active items of supply used by the Federal Government, such as nuts and bolts, office supplies, furniture, medical supplies, uniforms and weapons system repair parts.

We gather, process, integrate and disseminate logistics information on these supply items to logisticians around the world.

DLSC's customers include the military services, other DoD agencies, Federal civilian agencies, North Atlantic Treaty Organization (NATO), other foreign governments and private industry.

We use the Federal Logistics Information System (FLIS) as a primary means to organize and maintain information for the FCS.

FLIS is an automated data processing system containing billions of characters of logistics data. FLIS contains information that helps customers purchase, stock, store and issue supply items.

DLSC also serves as the U.S. National Codification Bureau for item identification and cataloging for NATO and other foreign governments. Responsibilities include cataloging NATO items, providing training and technical support in international codification, and serving on NATO panels and task groups.

We are the program manager for a system that improves the way DoD manages engineering data on supply items. To support this, DLSC developed the Military Engineering Data Asset Locator System (MEDALS), which gives the location of DoD blueprints, drawings and other technical data for 27 million items.

We also developed programs to refine the process of procuring supply items, benefiting private industry and the Government. For instance, we provide information on industrial base assessment, provisioning, pre-procurement screening, identification of contractors and contractors' reference numbers. This and other information is used to increase competition in procurement.

Welcome Letter

Opportunity, challenge and change for our command...these were motivating factors for DLSC in 1997. Last year, Battle Creek was chosen as the location to consolidate DoD cataloging. We made great strides by forming a Transition Office with responsibility to develop and implement a comprehensive three-year consolidation plan. During this critical period of change, our most important goal is to continue providing our customers with the outstanding support to which they have grown accustomed. Many new opportunities will be available as we move forward to improve and expand our business while we standardize the DoD cataloging process. However, America's defense needs will continue to be our first priority as we provide essential logistics information to our nation's warfighters in support of the Defense Logistics Agency mission.

We shared our logistics knowledge with the international community in 1997. In conjunction with our NATO allies, we hosted the 8th NATO Symposium on Codification in San Diego, California. The Symposium was attended by over 400 representatives from 41 countries and laid the groundwork for the continued expansion of the NATO Codification System by facilitating global logistics interoperability.

DLSC met the challenge head-on when it came to providing our customers with improved service. DLSC and DRMS call center representatives colocated in upgraded, standardized workstations to allow information sharing and improved support to our DLA customers. A new facility containing state-of-the-art equipment was established to provide call center representatives the latest tools to serve our clientele.

Through work in various large scale initiatives, such as the modernization of the FLIS, DLSC developed a core of experienced program managers. This experience led to DLSC management on a number of OSD and DLA sponsored programs. DLSC formed the Logistics Initiatives Office in March 1997 to maintain focus on emerging programs while seeking new opportunities to provide integrated logistics information solutions.

During the past year, the Defense Medical Logistics Standard Support program manager and senior service representatives approved the Universal Data Repository Medical Catalog on CD-ROM. This new DLSC product was successfully deployed to over 2,000 worldwide subscribers in August 1997.

In our efforts to provide our customers with exceptional products and services while reducing costs, we developed a new CD-ROM containing characteristics data. This product provides non-proprietary characteristic data on approximately 3.9 million National Stock Numbers. It enables the user to search by Federal Supply Class, National Item Identification Number, Item Name and/or Characteristics. This is a three-disk set requiring only one CD-ROM drive as each disk runs independently.

In the electronic commerce arena, our Electronic Catalog offers approximately 200,000 items from six vendors. This major



accomplishment allows customers to order items directly from vendors using internet technology on the DLA E-Mall.

These are just a few of DLSC's significant achievements in 1997. The information in the following pages will provide a greater appreciation of the numerous accomplishments of our talented workforce.

As we look ahead to 1998, we face the continuing challenges of reducing costs while providing logistics information that supports customer needs. We remain committed to performing cataloging operations without disruption to the military services. We will be a world-class provider of logistics information into the next century. This will be accomplished by the creative efforts of our skilled employees combined with innovative business practices, using state-of-the-art technology.

As a key member of DLA, our role in America's logistics combat support agency is to integrate information by leveraging technology, to provide logistics solutions for our nation's warfighters — around the clock, around the world.

A handwritten signature in black ink, reading 'Randall B. Haglund'.

RANDALL B. HAGLUND
Colonel, USMC
Commander

Workforce Development Opportunities

The ultimate goal of the DLSC Workforce Development Group is to prepare the workforce for the 21st century so that it is equipped with the required level of expertise. An area college conducted a basic skills assessment for 253 DLSC employees.

Basic skills were tested in the areas of reading, language, spelling, and math. These were areas considered critical for developing a workforce for the 21st century. The emphasis on training continues. The Tuition Assistance Program and Business Administration Program are active and Education Awareness Days, offering employees an opportunity to interact with college and university representatives, are held periodically.

DLSC RESOURCES

FY 97 Budget

Labor	\$ 22,532,450
Non-Labor	\$ 46,814,550
Total Dollars	\$ 69,347,000

Employees

Total	442
Average Age	47 years
Female	57%
People of Color	16%
Reported Disabilities	12%
High School Education	99%
Some College	80%
Bachelor Degree or Higher	32%

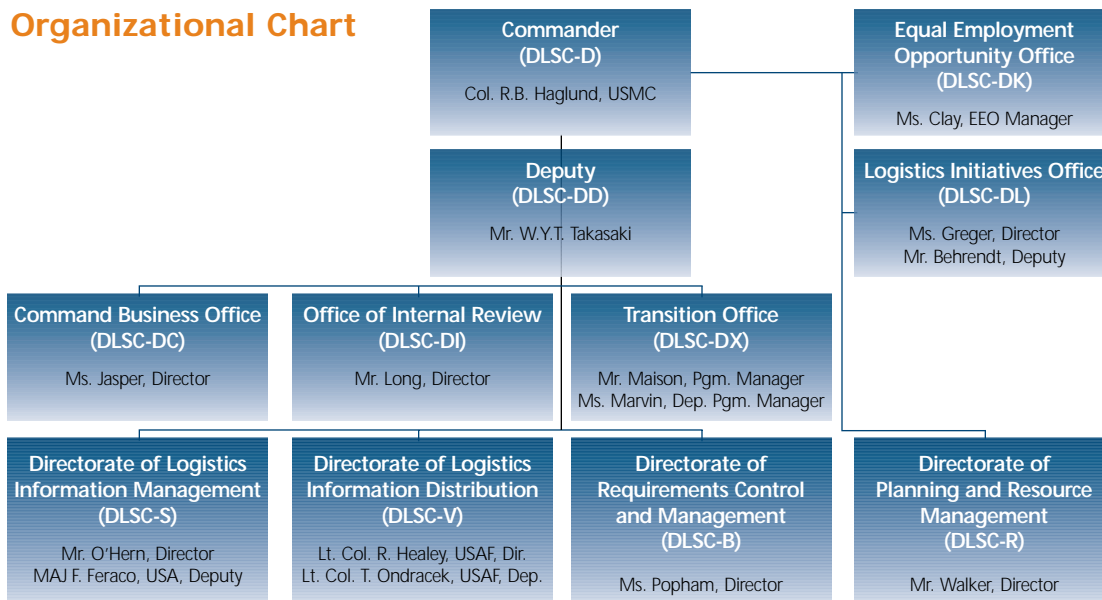
Special Recruitment

Last fiscal year, DLSC completed special recruitment actions for nine outstanding scholars. Over 100 colleges were contacted, and over 200 applications were received for personnel action. Fifty-three

candidates were referred for interviews. DLSC also performed recruitment actions to hire disabled applicants from the local Michigan Vocational Rehabilitation Center.



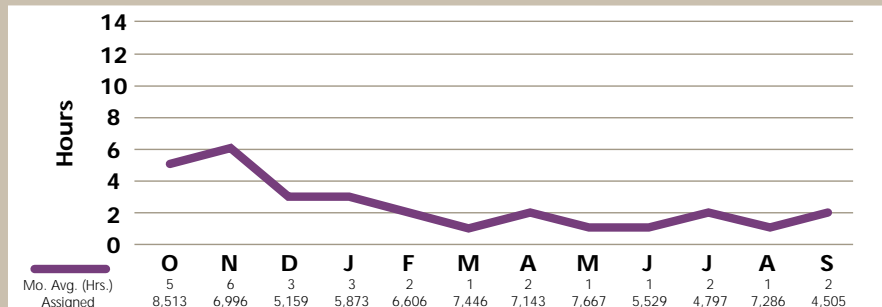
Organizational Chart



ANNUAL PERFORMANCE METRICS

NSN Assignments Batch Transactions Average Hours in System

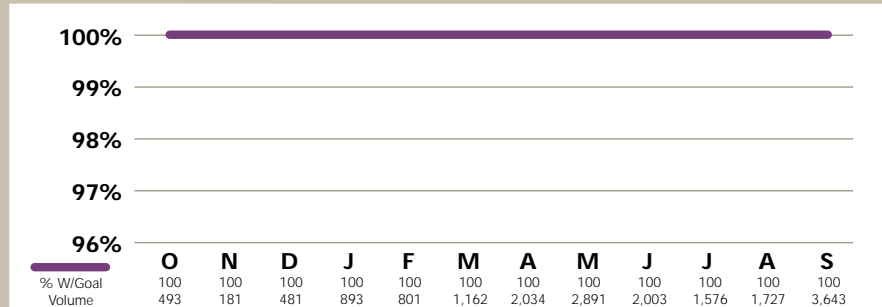
(Goal: 8 hours or less)



National Stock Number (NSN) Assignments — DLSC is responsible for assigning an NSN to each new item of supply before it enters the FLIS. This unique number helps prevent duplication and unnecessary procurements. There are two methods used to submit requests for NSN assignments: on-line and batch processing. Our on-line processing averaged two seconds to assign NSNs in FY 97 from the previous year. NSN assignments using batch processing improved 52 percent compared to the last fiscal year. There were over 132,000 NSNs assigned in FY 97.

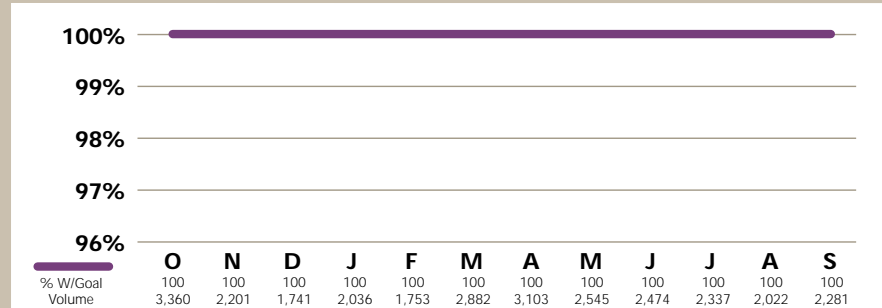
Priority New CAGE Codes Processed Percent Within Goal

(Goal: 100% in 2 days or less)



Routine New CAGE Codes Processed Percent Within Goal

(Goal: 100% within 15 days)

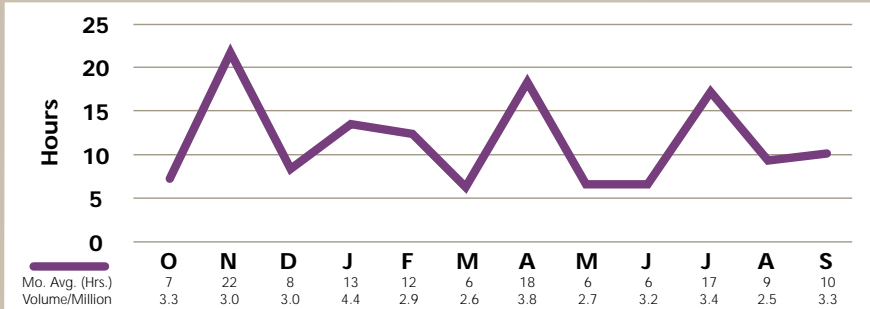


CAGE — Assigning Commercial and Government Entity (CAGE) Codes to contracts awarded in excess of \$25,000 is a major mission of DLSC. There are some Government agencies that require CAGE Code assignments regardless of the dollar value of the contract. In FY 97, DLSC assigned 46,620 CAGE Codes. Of these, 28,735 were processed as routine and 17,885 were assigned as priority assignments. This is a 15 percent increase over FY 96.

ANNUAL PERFORMANCE METRICS

All Batch Transactions Processing Time

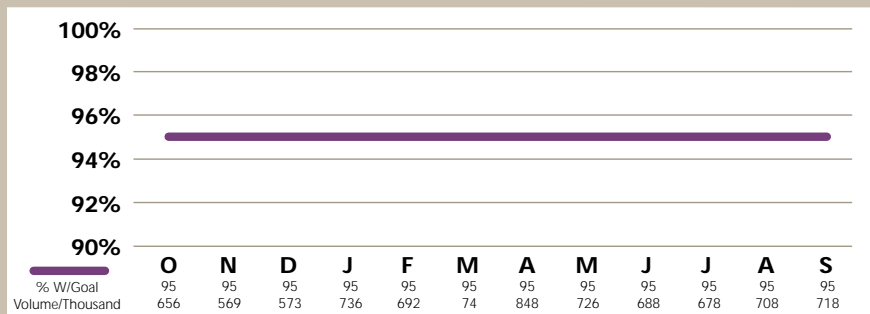
(Goal: Less than 18-hour turnaround)



Batch Transaction Processing — DLSC customers can submit large volumes of routine maintenance, database queries, and screening actions using magnetic tape or the Message Accountability and Delivery System (MADS). Batch submissions facilitate “hands off” processing between FLIS and our customers’ computer systems. In FY 97, over 38 million transactions were submitted for batch processing within our 18-hour goal. With more of our customers making advancements in technology, we are experiencing fewer batch transactions and more on-line processing. In FY 97, we observed three million fewer transactions processed through the batch method than FY 96.

On-Line Transactions Processing Time

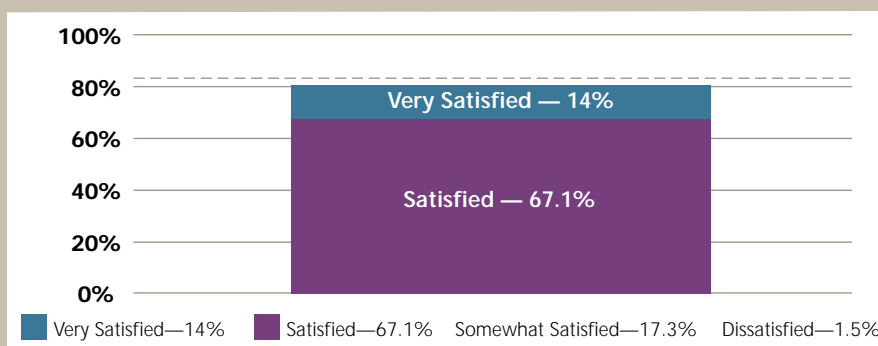
(Goal: 90% within 2 seconds)



On-line Transaction Processing — On-line transaction volumes include counts for both Logistics Remote User Network (LOGRUN) and Passthrough services. Transaction volumes increased over the previous year as customers prefer the ease and speed of using our on-line services. Our service level agreement with Defense Information Systems Agency (DISA) contains the standard to process 90 percent of on-line transactions within two seconds. During FY 97, DISA processed 95 percent of the on-line transactions submitted within two seconds exceeding the standard. Over eight million transactions processed through the on-line system in FY 97. This is a 10 percent increase over FY 96.

Customer Satisfaction

(Goal: 83%)



Customer Satisfaction — The FY 97 HQ DLA Overall Customer Satisfaction Survey established the baseline for DLIS. Among the Primary Level Field Activities (PLFAs) assessed in FY 97, DLIS had the fourth highest satisfaction rating (mean = 3.93) with 81.1 percent of the customers rating DLIS very satisfied or satisfied.

OPERATIONAL PERFORMANCE

DLSLC continues to take advantage of new technology to improve its ability to provide products and services to users in the most cost effective and efficient manner. Following are prime examples of how we have expanded our customer base without degradation to our mission. Our ability to be flexible to our customers' needs will ensure we remain a leader as a logistics information provider into the 21st century.

During FY 97, our focus remained on the following efforts that have lead to improved customer satisfaction and readiness support.

Defense Inactive Item Program (DIIP)

This program provides an automated method of selecting inactive items to review for potential elimination from the supply system. DLSC serves as the DoD administrator of the DIIP. Items selected for DIIP receive careful review from the users to determine if the item supports their mission.

When all criteria are met, the program removes the user registrations. During the 1996–1997 cycle, DLSC reviewed 580,616 items resulting in the de-activation of 81,308 items from the supply system.

Supply Center Columbus and the Defense Supply Center Richmond and one General Troop Support Center at the new consolidated Defense Industrial Supply Center/Defense Personnel Support Center locations.

In FY 97, DLSC implemented an SCR to extract and automatically build FSC changes. One improvement from this SCR is that it will eliminate approximately 10,000 manual FSC changes at the DLA centers for each Item Name Code. Approximately 211,000 items transferred since the program began in December 1995. The successful transfer of 1.7 million items by 2001 will mark the completion of a major milestone for DoD.

Non-Approved Item Name (NAIN) Conversion

NAIN conversion is the process used to change the identifying name on an NSN from a NAIN to an Approved Item Name (AIN). In FY 97, DLSC performed conversions on 10,294 NSNs. Monitoring the FLIS continues, identifying new NSN candidates created by new AIN assignments. This is important to our customers because it cuts down on the volume of re-procurement actions and duplication in the FLIS.

DLSC customers have the capability to submit their item name proposals to DLSC via a web site on the WWW, Bulletin Board System, facsimile or mail. Another enhancement made available is the automated version of the DD180,

Consumable Item Transfer (CIT) Phase 2

Approximately 122,000 of 152,000 items successfully transferred from the services in 25 increments since the program began in August 1995. In addition, we developed an automated process to back out erroneous transfers. As a result of the many system enhancements, we anticipate timely transfer of the remaining CIT Phase 2 transactions.

Federal Supply Class (FSC) Realignment Project

This project supports the establishment of two Weapons System Centers at the Defense



Demilitarization (DEMIL)

In a continued effort to cleanup obsolete DEMIL codes in the FLIS, DLSC sent copies of over 422,000 related NSNs to the appropriate managing activity for corrective action. This number includes both active and inactive (no recorded user) items. In FY 97, 52,741 NSNs had appropriate action taken by the item managers. DLSC will continue to monitor cleanup efforts to ensure appropriate action is taken on all identified items.

Item Name Collaboration Action Request. This is an electronic form also available on the DLSC web home page. Customers benefit from the user-friendly form and the shortened processing time as compared with the mailed hard copy or facsimile versions.

Provisioning Screening Accomplishments

The provisioning goal is to acquire what is needed, when needed, at the lowest cost to taxpayers. The process begins with the military services describing the end item, followed by each part within the end item. The services submit transactions to DLSC to screen for matches in the FLIS.

In FY 97, DLSC screened 4,125,000 reference numbers, resulting in a 39 percent match to existing NSNs. During this same period, over 1,342,676 reference numbers passed through the FLIS database for other pre-procurement purposes of which 31 percent matched existing NSNs.

Additionally, approximately 6,700,420 NIINs went through this screening process for matches and other pre-procurement purposes. Total screening efforts were 12,168,096 transactions.

OPERATIONAL PERFORMANCE



Data Extracts

Our technological capabilities allow us tremendous flexibility in handling data extract requests from our customers. We produce extracts on an as-needed basis and at regularly scheduled intervals. Our customers utilize the data from these extracts to establish their own systems, file reconciliation, item identification improvement, data purification, and special projects.

In FY 97, we developed 910 tailored extracts for our customers. This was a 56 percent increase over the previous fiscal year. These extracts generated over 1.3 billion records, a 17 percent increase over last fiscal year.

The considerable increase in customer requests reflects an intense need for the data maintained within FLIS in today's dynamic logistics world.

BUSINESS IMPROVEMENTS

Weapon System Information

Over the years, our customers requested information that would cross-reference weapon system/end item application to NSN data residing in the FLIS. In FY 96, DLSC released a CD-ROM to our customers that contained weapon system application data. We have been very busy expanding this effort.

In FY 97, we initiated a project that enabled customers to obtain weapon system-related information for DLA consumable items, cross referencing the data to the FLIS. We also made this information available to on-line users.

Environmental Products

DLSC was instrumental in increasing the visibility of environmentally oriented products and encouraging their use by identifying items of supply that qualify for purchase under the Environmentally Oriented Products Program.

In FY 97, DLSC added new Master Requirement Codes (MRCs) and replies to applicable Federal Item Identification Guides (FIIGs) that pertain to commodity areas currently included in the program. The new MRCs identify hazardous or toxic items, designated affirmative procurement products, energy or water efficient products, and less toxic alternative products or substitutes.

Additionally, these MRCs provide the Government a mechanism to increase their purchase of recycled products.

Graphical User Interface (GUI) Version of Logistics On-Line Access (LOLA)

DLSC developed a GUI version of the LOLA application that allows users to query FLIS through single NIIN/Part Number inquiry or batch queries. DLSC can direct the output to a "Windows Default Printer" versus a system network printer, or save the data to disk. Users may also cut and paste NIINs or Part Numbers from an "Excel" or "Access" database and run them as batch queries against the FLIS database.

FLIS Gateway

This system provides a means to update data through electronic transfer versus the old method of updating data by magnetic tape transfers, hard copy distribution, and manual intervention. FLIS update data is manipulated daily into the Cataloging Tools On-Line (CTOL) format, then replicated to the user sites. This new update process ensures data compatibility between FLIS and CTOL, and is projected to save over \$1,000,000 in maintenance contract costs over the next 5 years.



BUSINESS IMPROVEMENTS



Federal Logistics (FED LOG) 97 Data

An enhanced version of FED LOG was successfully launched in FY 97. Customer input was used to assist in determining the design. The new FED LOG product contains such items as browse capability on input fields, a more capable batch program, and a FED LOG tutorial. Additional data and views for the Marine Corps and Army give enhanced support to both services.

Since release of the enhanced version of FED LOG, subscription sales increased 40 percent. In February 1997, data previously distributed by the Army in their ARMYLOG CD-ROM product was incorporated into FED LOG resulting in the discontinuance of ARMYLOG.

Logistics Information Network (LINK)

LINK provides a single interface to multiple logistics databases. A LINK user can look up an item, check asset availability at wholesale and retail levels, and obtain requisition and transportation status from a single, on-line session. DLSC processed over 882,000 transactions in FY 97. This is a 20 percent transaction increase from the previous year. In FY 97, the number of registered users doubled from the previous year to over 5,000.

Starting in January 1998, customers will access LINK through the WWW. Efforts are underway to give users an automated research tool called SmartLINK. With SmartLINK, the end

user will submit NSNs and SmartLINK will automatically retrieve item information, surplus stock availability plus wholesale and retail stock availability.

World Wide Web (WWW)

During FY 97, DLSC took a big step towards providing users more information via the web. Our customers now have database query capabilities for CAGE, Universal Product Code and Central Contractor Registration. Our customers responsible for cataloging data, now have access and download capability to 16 of the most frequently used FIIGs, FLIS procedures, and computer-based training programs. DLSC plans to offer more query capabilities on the web during FY 98 so we can continue to provide information in ways our customers find useful.



INTERNATIONAL SUPPORT

International Codification

As the National Codification Bureau for the United States, DLSC is responsible for processing requests for U.S. NSN assignments from NATO for foreign governments on U.S. manufactured items. We also process requests for NATO NSN assignments from U.S. military services and supply centers for items manufactured overseas.

During the past year we processed 33,000 requests for U.S. NSN assignments and 9,000 requests for NATO NSN assignments. The NATO Codification System, based on the U.S. Federal Cataloging System, supports interoperability between countries' logistics systems.

U.S./Canada Joint Certification Office

This office serves as a vital link in safeguarding military critical technical data for the U.S. and Canada. Contractors from both countries certify their eligibility to receive technical data with either a space or military application through this jointly staffed office. Contractors use this type of data either to bid or perform contractual work with the DoD of either country.

The Joint Certification Office redesigned their database and placed it on a mid-tier computer this year providing customers greater flexibility. Additionally, we designed and implemented a web site on DLSC's Home Page for interrogations. DLSC

refreshes the database daily to ensure the availability of the most current information.

8th NATO Symposium on Codification

In May 1997, on behalf of the NATO Allied Committee on matters concerning Codification (AC/135), DLSC hosted a symposium in San Diego, California. The purpose of the Symposium was to share information and explore directions for NATO Codification in future years. The theme for this 8th NATO Symposium was "NATO Codification — A Bridge to Global Logistics Knowledge." Over 400 representatives from 41 different countries including NATO, Partners for Peace, Pacific Rim and other nations participated in this Symposium. The conference was a huge success for both the AC/135 Main Group sponsors and the United States host nation. It set a benchmark for cooperation and advancement for the codification segment of the international logistics community.

International Access to Logistics Remote Users Network (LOGRUN)

In FY 97, DLSC began an initiative to offer authorized foreign national customers selected on-line interactive access to logistics data stored in the FLIS database utilizing the LOGRUN. This capability allows "inquiry" access to specific types of



INTERNATIONAL SUPPORT

cataloging and logistics information. International users will be able to view information related to NSNs, FLIS procedures, the NATO Codification Control system, and other valuable information of significance to the international cataloging community.

Offering this type of international connectivity to U.S. logistics information systems is indicative of our goal to enhance service opportunities for DLSC and create greater interoperability between the U.S. and other countries.

Direct Data Entry (DDE) for NATO Codification

The NATO DDE system is a PC-based client-server application used by catalogers to process requests for NSN assignments received from NATO and other foreign governments. It assists the catalogers in creating transactions to obtain NSNs and perform limited maintenance transactions on existing NSNs. DLSC implemented the original system in 1988, which includes two upgrades over the last few years.

The DDE System received Vice President Gore's Hammer Award in 1997 as an outstanding example of an automated tool that reduces Government spending. An upgrade to the application is currently underway to take advantage of new software technology and implement several enhancements requested by the catalogers.

Implementation of the NATO Mailbox System (NMBS)

NATO created the NMBS to provide countries in the alliance the ability to exchange catalog data via telecommunications through an exchange station at the NATO Maintenance and Supply Agency. DLSC's International Codification Division participated in the development and management of the NMBS.

The NMBS also benefits DLSC as it provides us instant data exchange with all of our NATO partners without the worry of incompatibilities. During the past year, several of DLSC's non-NATO customers have joined the NMBS, including Australia, Malaysia, New Zealand, and Singapore.

NATO Codification System Expansion

The Federal Catalog System serves as the basis for the NATO Codification System shared by the member countries of NATO. DLSC has taken a leading role in expanding the NATO Codification System outside the NATO alliance. We are collaborating with members of the Partners for Peace nations in Eastern Europe, the Pacific Rim nations that participate in the Pacific Area Cataloging System, and other countries such as Brazil and South Africa.

These initiatives enable DLSC to market our products and services as well as promoting customer service with U.S. allies around the world.

Establishing Linkage Between the NATO Codification System and Commercial Bar Code Systems

As the U.S. National Codification Bureau, DLSC leads an effort to establish links between the NATO Codification System and commercial bar code systems. The North American Uniform Code Council (UCC) and European Article Numbering (EAN) International, are encouraging the rest of the world to make use of these systems.

Plans are to continue working with the NATO partner countries and representatives of UCC and EAN International in FY 98. This initiative adds value to the FLIS data and complements another effort underway in DoD and NATO replacing military proprietary systems by commercial systems.

Foreign Military Sales (FMS)

DLSC provides cataloging publications, services and training to foreign governments' FMS cases. In FY 97, DLSC's total FMS case value was \$1,396,573 and reimbursements were \$259,800. This was an increase of \$53,668 over the previous years' reimbursements.

The continued expansion of the NATO Codification System throughout the world increased our FMS business and brought many new foreign visitors to DLSC. This past year we hosted visitors from Australia, Brazil, Estonia, Indonesia, Israel, Korea, Lithuania and the NATO NAMSA.

A background image of the American flag, showing the stars and stripes, is used for the top half of the page.

NEW BUSINESS IN 1997

Universal Data Repository (UDR)

In 1993, the DoD medical community recognized the need to create a comprehensive database with a CD-based research capability to provide wholesale and retail medical material managers access to a single comprehensive source of logistics information. It was to include information on commercial products, DoD and service specific data, pricing, special handling, product comparison data and quality assurance information.

On August 31, 1993, Defense Medical Logistics Standard Support Office solicited DLSC's support in the design, development and implementation of the UDR and its associated applications. The UDR serves as a single source for common medical catalog data providing product and pricing data for medical personnel in the Military Health Service System.

It provides all available product information to Medical Treatment Facilities (MTF) users, medical support, and combat units. The UDR has the look and feel of the Forward Customer Support (FCS) product but retains the functionality and service peculiar data currently contained in the MEDCAT-X CD-ROM product as well as additional data identified by the medical community. The Federal Catalog System client-server product is being developed by Electronic Data Systems and will be deployed in the major medical hospitals.

In addition to the UDR master database, there is a monthly CD-ROM that can be loaded into MTF CD-ROM LAN systems or stand-alone CD-ROM systems, and a monthly FCS Data Distribution Extract which supports the FCS client-server.

Central Contractor Registration (CCR)

A massive effort impacting over 400,000 Federal Government contractors is underway in DoD to move its acquisition process into the electronic age. Gaining momentum through the Defense Logistics Agency (DLA), and being managed by DLSC, is a process called CCR.

Stemming from the Clinton-Gore "Reinvention of Government" initiative, CCR is part of the Federal Acquisition Streamlining Act of 1994. This act requires mandatory registration for all businesses into CCR, an enormous world-wide automated business registry, with all Government payments to be made via Electronic Funds Transfer.

Once completed, CCR will greatly streamline the Federal Government bid and award process by enabling businesses

to electronically submit contract bids for any open solicitation. CCR will level the playing field for businesses of all sizes and eliminate Government advertising costs to solicit bids. CCR is being adopted by all military and civilian Federal agencies. Only contractors with a valid registration within CCR will be eligible to contract for bids with DoD.

DLSC is responsible for fully populating the CCR database by partnering with 16 DLA-funded Electronic Commerce Resource Centers and 120 Procurement Technical Assistance Centers located nationwide. These assistance centers will provide CCR training to over 1,200 CCR outreach sites, all major DoD acquisition offices, and thousands of businesses across the USA.

DLA Electronic Catalog (E-CAT)

E-CAT, one of the first systems of its kind, went into production in April 1997. It is an electronic catalog of commercial items for sale to anyone in the Federal Government. This system allows users to review vendor products and make purchases directly to the vendor. Products are shipped directly to the customer from the commercial supplier. E-CAT uses advanced search and display technology to assist users to locate and manage those items needed for Government operations.

Once an item is ordered, the system places the order with the vendor, keeps records to manage the purchase, and updates the existing

supply systems maintaining overall logistics management.

This powerful tool brings to any authorized Government employee the ability to shop in a commercial environment and still be within an approved DLA supply system.

Customer benefits include faster delivery, discount prices, and facilitates payment by using MILSTRIP or credit card. E-CAT benefits participating vendors by providing them access to a wider market. The entire logistics community benefits because it recaptures sales lost to local credit card purchases and maintains visibility of items in the supply pipeline.

Universal Product Code (UPC) NSN Cross-Reference System

The required unique Government bar coding system containing the NSN permits receivers of shipments to readily identify, stock, store or issue the incoming shipment.

Industry uses the UPC to identify their items of production. Currently there is no complete cross-reference between these two bar coding systems or between the UPC and Government stocked (NSNs) items. Government use of the industry standard UPC coding will reduce the costs of many products and the shipping time of orders from manufacturers and suppliers.

Providing DoD users visibility of the relationship between UPCs and NSNs is accomplished by developing a UPC cross-reference to FLIS. UPC/NSN/PART NUMBER relationships will be maintained using a table populated with data obtained from the North American UCC, manufacturers and service managers.

This project will have a positive impact on Government business practices by no longer requiring industry suppliers to adhere to a costly Government marking standard. Current technology makes it possible to convert industry standards to military unique markings.

We received over 298,000 UPCs from 3,078 companies that have UPCs on items. An updated UPC web version will be available to the project managers for testing in FY 98. A later addition to this will be a maintenance portion for companies to update their own data.

Another effort will include capturing information on EANs. Denmark, France, Germany, Netherlands and the United Kingdom have agreed to assist in gathering EAN and UPC data for their individual countries.

BREAKING NEW GROUND

Hazardous Material Information System (HMIS)

The HMIS is the central repository for Material Safety Data Sheets (MSDS) for hazardous materials purchased by the DoD. MSDS information includes chemical and hazard information needed to comply with the EPA, Occupational Safety and Health Administration (OSHA), and Department of Transportation regulatory guidance. The existing system consists of a mainframe-based flat file from which DLSC produces a quarterly CD-ROM product for users.

Plans are underway for the modernization of HMIS in a two-phase effort. Phase one will move the data to a more robust relational database residing on a mid-tier platform. Phase two will identify user requirements for redesign of the repository. Responsibilities are shared between Defense Supply Center Richmond, the HMIS Functional Manager, and DLSC, the AIS Program Manager. DLSC developed a web application to access MSDSs, currently in an interim operating capacity with some limited users.

Future plans include the addition and update of records using an on-line application allowing the submission of MSDSs into HMIS, with a target date for implementation of March 1998. Functional requirements for HMIS redesign will begin in the second quarter of FY 98. The modernization and redesign of HMIS will eliminate user fines related to OSHA non-compliance and for improper shipment of hazardous

materials. Most importantly, HMIS will provide customers with faster access to the most current data on hazardous materials.

Environmental Reporting Logistics System (ERLS)

ERLS will translate hazardous items of supply, identified within DoD by NSN, into the more specific EPA description of each item's chemical ingredients. This new reporting system will provide DLA managers the capability to assess hazardous material and hazardous waste acquisition, storage and transportation with improved accuracy and timeliness. They will also use the system to comply with reporting requirements. ERLS will provide information on environmentally oriented items and usage reporting. In FY 97, the development of Build One, which supports Emergency Planning and Community Right-to-Know Act reporting was completed. Additionally, Functional and Independent Verification and Validation (IV&V) testing was accomplished. Initial Operational testing was also completed.

Environmental Attributes

Executive Orders 12856 and 12873 direct Federal agencies to minimize the use of hazardous materials and to increase purchase and use of environmentally-oriented products. The Joint Logistics Commanders (JLC) tasked DLA to identify the environmental data currently avail-

able and constraints for adding environmental codes and to develop plans with cost estimates to expand FLIS. The FLIS is used by all Federal agencies to requisition items through the General Services Administration and DLA. As requested by the JLC, DLSC reviewed the issues and determined that FLIS is currently capable of accommodating anticipated attributes with a minimum of effort through the Master Requirement Codes. It is reasonable to expect significant savings by



increasing the procurement and use of environmentally oriented products and reducing the direct contract costs of hazardous waste disposal, which for FY 96 alone was \$81 million.

There are many additional benefits to be gained from this initiative, all of which result in encouraging more and better use of environmental products.

National Imagery and Mapping Agency (NIMA) Support

Joint Chiefs of Staff study May 1996, realigned NIMA distribution functions to DLA. NIMA and DLSC worked together to catalog NIMA products and developed a concept of

operations for DLSC to produce NIMA hard copy catalogs.

The DLA/NIMA MOA of December 1996 makes the transfer effective on April 1, 1998. NIMA catalogs contain both text and graphics. The required text capability exists in our current Xyvision publishing system.

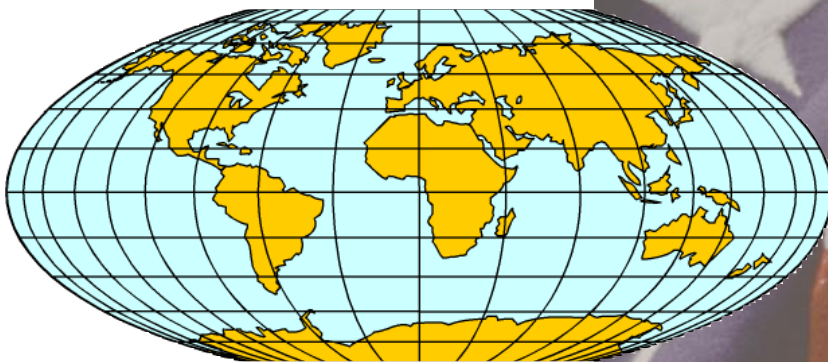
In December of 1997 we added a Geographic Information System, and began to build the base library of images for NIMA catalog graphics. Database development began concurrently in order to manage both the text and graphics data for integration to the publishing system. We will be operational for the April 1, 1998, transition while we continue to work with

Item Type Designator

D LSC, in partnership with Assistant Deputy Under Secretary of Defense (ADUSD) (Logistics) and the services, will automate Type Designator Systems at the Air Force Cataloging and Standardization Center (CASC) and Communications and Electronics Command (CECOM) located at Ft. Monmouth, NJ and link them with FLIS data.

ADUSD (Logistics) will review prototype results for expansion to all Type Designator Systems in a web environment. The interface will provide a tool for Government managers and prime contractors involved in weapon systems development. The new application will provide an interface for service systems thus eliminating the repurchasing of technologies and equipment.

The data interface will reduce costs and time in the weapons system research and development phase by providing an accurate data source on similar systems and components. This interface becomes a tool for item reduction after the removal of primary systems from the active inventory. Currently DLSC is in the process of installing the Type Designation System at 10 test site locations. Completion date for this installation is scheduled for FY 98.



NIMA to develop a single source of NIMA digital catalog data. We are using NIMA's annual production schedule to build each catalog in the new system.

In accordance with the NIMA publication schedule, we will begin publishing monthly change notices as required beginning April 1998. We will send the unclassified Hydrographic Products catalog (produced jointly with NIMA) for reproduction April 1, 1998, followed by the unclassified Semi-Annual Bulletin Digests scheduled for distribution June 30, 1998.

REACHING OUR CUSTOMERS

Our goal is to provide the best product and service support to our customers. We have linked the marketing, survey and customer service functions together in a life cycle of support. By developing marketing strategies for targeted groups, we ensure that customers get the products they need to fulfill their missions. We reach our customers through business fairs and Expos, where we demonstrate and distribute information on our products, services and capabilities.



In FY 97, marketing representatives attended 13 events and reached thousands of current and potential customers. Marketing leads to sales, which in turn necessitates support. Customer Support Center agents field a variety of logistics questions from customers worldwide.

By the end of 1997, DLSC, Defense Reutilization and Marketing Service and the Air Force Cataloging and Standardization Center call centers had collocated to use standard technology and an ergonomic environment to provide better support to a wide range of logistics customers. This sharing of information led to plans for the consolidation of these offices into one world-class Battle Creek Customer Support Center in 1998.

In addition to marketing and supporting our products and services, we must continually assess them to validate their currency and usefulness. Customer surveys are a prime tool to measure customer satisfaction. In 1997, survey personnel conducted an overall satisfaction survey as part



of a HQ DLA effort, conducted focus groups on LINK and the Defense Logistics Support Command Home Page, and initiated a major survey of all DLSC CD-ROM products.

Working in partnership with the marketing department at Western Michigan University, survey personnel used state-of-the-art methodology, which ensured accurate measurement of customer satisfaction. The survey results help product managers identify areas for improvement.



REACHING OUR CUSTOMERS



Visitors

The DLSC Command Visitor Program is a primary means of marketing our business to new customers. We provide briefings highlighting our mission, products and services, and new initiatives to help them understand how we can assist to better perform their missions. Last fiscal year, DLSC hosted over 122 command level visits, with visitors from as far away as Korea, Australia, and Lithuania. In addition to our international visitors, some of the high level visitors in FY 97 included members of Congress.

Customer Service Awardees

Each quarter, DLSC employees have an opportunity to recognize their peers for outstanding customer service. The customer service award recipients for 1997 are pictured to the right. From bottom row left: Ms. Connie Callihan (retired), Ms. Marlene Leeper, Ms. Marie Butler, Ms. Leslie Douglas; middle row left: Ms. Michelle Smith, Ms. Lee Ann Hook, Ms. Diana Funk, Ms. Anna Sharp, Mr. Ron Mullins, Mr. Ron Behrndt; top row left: Ms. Sharon Curtiss, Mr. John Adams, Mr. Joe Pursell, Ms. Karen Rhoades, Mr. Doug Holliday, Ms. Nancy Etheridge; missing from photo: Ms. Carolyn Thomas.



QUALITY OF LIFE

Battle Creek Federal Center Renovation Completion

DLSC is host tenant to the more than 1,500 employees residing in the Center. In April 1997, employees and representatives from the Battle Creek community attended a building rededication and ribbon-cutting ceremony. This event marked the completion of a \$27 million renovation that began in 1995. The renovated building provides a state-of-the-art work environment for all Federal Center employees and maintains its historical significance dating back to its origins as Dr. John Harvey Kellogg's health sanitarium.

Family Support Services Implemented

1997 saw the rounding out of our Quality of Life Programs through the implementation of two new family programs at the Federal Center. We hired a certified social worker to develop our Family Advocacy Program which encompasses four major areas: prevention of child and spouse abuse; programs and services that contribute to healthy families; early identification and intervention of child and spouse abuse; and cooperation with civilian authorities. To establish an effective and viable program, we are taking advantage of the existing community infrastructure by referring individuals to local resources for direct services.

Working on Wellness (WoW) Fitness & Recreation Program

Over the years, the WoW Program expanded, both in terms of facilities and programming, to meet our customers needs. In 1997, we hired a recreation director who implemented recreation programming to include golf tournaments, step and water aerobic classes as well as personal massage therapy to reduce the effects of stress at the workplace.

The various fitness and wellness promotions conducted throughout the year were also successful. The Federal Center Stars & Stripes teams, comprised of 70 DLSC employees, placed 2nd overall in the Cereal City Corporate Cup, an annual city-wide athletic competition. There was a significant increase in participation in both the annual Presidential Sports Award (PSA) Program and the Federal Employees Fitness Day (FEFD). Of the 125 participants in the PSA program, almost half were from DLSC and 170 DLSC employees participated in the FEFD event.

Despite downsizing, membership increased by 105 to a total of 900 employees. Similarly, daily usage continued to increase reaching a daily average of 225 employees per day. We also expanded our patronage policies to include the rapidly increasing civilian and military retiree base.



QUALITY OF LIFE



Other services offered to employees and their families are the use of a resource room of books, videos, and audio tapes for their personal use and educational programming on a wide variety of topics such as stress management, domestic violence, elder care, Alzheimer's, marital and relationship issues, sexual abuse, adult protective services, and learning disabilities. These workshops and focus group sessions provide the latest information available to help employees handle and resolve family-related issues.

The Relocation Assistance Program is the second component of our family services. The major goal of this program is to furnish families the tools to complete the transfer as cost effectively and efficiently as possible while helping them to understand and manage the emotional impact of relocation.

This program provides employees with a total package of education, counseling, relocation planning, information and referral services.

Our program includes a range of benefits from personal sponsorship to providing information on joint travel regulations, housing, weight allowances and other inbound and outbound information.

The outbound services include information about where an individual is moving to whether in the U.S. or abroad, financial planning and relocation entitlements.

Inbound services include meeting with organization sponsors, preparing arrival packets with information about the area to help them settle in, and stress management. This program is a collaborative effort with community organizations such as the Chamber of Commerce, Board of Realtors and Board of Education providing all the necessary information available to help minimize family stress associated with relocation.

COMMUNITY OUTREACH

Diversity Programs

We continue to celebrate cultural awareness through various special emphasis activities. These programs create a climate for success because they recognize the uniqueness each employee brings to the workplace.

In FY 97, our employees participated in a collaborated **Multi-Cultural Festival** celebration hosted by the Battle Creek Veterans Affairs Medical Center. Eleven diversity booths represented a variety of cultures from the community and workplace.

The **Elementary School Cultural Taste Program** was an event where Federal employees shared images of different cultures through artifacts, videos, dances, clothing and food.



Women's Equality Day—In commemoration of the date American women gained their political freedom, Joyce Weiss, MA, CSP, presented a seminar "Celebrate the Power Within."

Mr. Bill Scott was the keynote speaker during **National Disabilities Awareness Month**. Mr. Scott is a member of the President's council that establishes building accessibility standards.

A commemorative program was held in observance of **Dr. Martin Luther King, Jr.**, with guest speaker Reverend Amos T. Chester, Jr. of Mount Zion A.M.E. Church.

Blood Donations

DLSC continued its tradition in providing excellent participation and support to the American Red Cross sponsored blood drives in FY 97.

DLSC employees donated over 222 pints of blood, which represents a 36 percent giving rate based on the total pints given during blood drives at the Federal Center.

COMMUNITY OUTREACH

Adopt-a-Family

DLSC employees shared in providing the meaning of "giving" during the holiday season. Last fiscal year, they assisted the local Salvation Army and adopted 46 families through the Adopt-a-Family program. These families included 85 children and 6 elderly.

This community-wide program provided needy families in the area with a food basket and gifts for children, making their Christmas a little brighter.

Combined Federal Campaign (CFC)

DLSC chaired the Battle Creek Federal Center's kick-off for the 1997 CFC in September 1997 for the nine agencies in the building. DLSC employees continued to show their support to the local community and health and human services agencies of their choice.

In FY 97, DLSC raised \$45,028 in cash and pledges, far exceeding the goal of \$31,500. This helped the local CFC to reach \$233,005, thus exceeding their goal by approximately \$48,000.

Adopt-a-School

The Adopt-a-School program provides DLSC employees with an opportunity to mentor/tutor children in Battle Creek area schools. This program began under President Reagan and is supported by the DoD.

The program benefits the Government and community on several levels. Acting as role

models, employees motivate students, enhancing their abilities, and present a "good neighbor" image to the community.

For the 1997-1998 school year, 17 DLSC employees are participating in this program.



JOURNEY TO 2000

During 1996, DoD directed the consolidation, centralization and selected outsourcing of DoD cataloging under the direction of DLA. The five-year savings from this move was estimated at \$35 million.

The DLSC Commander led a joint services group to develop the implementation plan. On March 25, 1997, the Assistant Deputy Under Secretary of Defense (ADUSD), Materiel and Distribution Management, announced the Federal Center at Battle Creek as the centralized site. The centralization will begin in FY 98 with Army, Air Force and Defense Supply Center Columbus workload (65 percent of the total FTEs), continue in FY 99 with Defense Supply Center Richmond and Marine Corps workload, and conclude in FY 00 with Navy and Defense Supply Center Philadelphia workload.

As stated by RADM David P. Keller, SC, USN, now Commander of the Defense Logistics Support Command, great strides have been taken since the site selection decision was made: a Senior Level Cataloging Transition Committee is formed, a Cataloging Transition Office is established, a web site with constantly updated information is established, a complete functional review of all issues involved in the transition has occurred, the Transition Office team has visited each of the transferring sites, a number of key personnel issues are resolved, a detailed milestone plan is developed, and a review of cataloging reengineering and outsourcing opportunities has begun.

The cataloging systems and processes used by the military services and DLA supply centers reflect the investments made to improve operations and achieve

maximum efficiency. We are committed to making certain that no service or DLA supply center receives less functionality than is currently in place; we will not take a step backwards in automation or business processes.

After the mission transfer is completed using the current legacy cataloging systems, we will implement a single replacement system which will standardize all cataloging operations, thereby improving the accomplishment of the cataloging mission.

The transfer of mission from each site will be guided by a detailed Business Plan, jointly developed by the Transition Office and Transferring Site Team from that service/DLA supply center. The Business Plans define roles and responsibilities as well as the business processes to support the transferring sites and their customers. The development of the plans also provides the forum to resolve specific business process issues and concerns.



In January 1998, after 35 years of managing the Federal Catalog System as the Defense Logistics Services Center (DLSC), we had a name change and officially became the Defense Logistics Information Service (DLIS).





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